Appendix J: CrossCountry Financial Projections – 2003-2006

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Basis of Presentation

This appendix includes a financial forecast for the years 2003 through 2006 and the associated assumptions behind the forecast (the "CrossCountry Projections"). The CrossCountry Projections for the fiscal year ended December 31, 2003 include actual results through June 30, 2003. The CrossCountry Projections should not be used without the associated assumptions, which are based upon the anticipated future performance of Transwestern, Citrus and Northern Plains, industry performance, general business and economic conditions and other matters, most of which are beyond the control of the Debtors. While the CrossCountry Projections were prepared in good faith and the assumptions, when considered on an overall basis, are believed to be reasonable in light of the current circumstances, it is important to note that there can be no assurance that such assumptions will be realized, and Creditors must make their own determinations as to the reasonableness of such assumptions and the reliability of the CrossCountry Projections. **Therefore, although the CrossCountry Projections are presented with numerical specificity, the actual results achieved during the period projected will vary from the projected results and some of the variations could be material.** Accordingly, no representation can be, or is being, made with respect to the accuracy of the CrossCountry Projections or the ability of CrossCountry to achieve the projected results of operations. In deciding whether to vote to accept or reject the Plan, holders of Claims entitled to vote on the Plan must make their own determinations as to the reasonableness of such assumptions and the reliability of the CrossCountry Projections. See Section XIV "Risk Factors and Other Factors to be Considered."

The financial information for CrossCountry is presented on a pro forma basis, after giving effect to the transactions contemplated by the CrossCountry Contribution and Separation Agreement regarding the contribution of the Pipeline Businesses.

Assumptions

Information relating to certain assumptions used in preparing the CrossCountry Projections is set forth below.

A. General.

1. **Methodology.** The Income Statement, Balance Sheet and Cash Flow Statement for the 2003 fiscal year are shown on an aggregated basis as if CrossCountry had owned the interests that are expected to comprise CrossCountry for the full year of 2003 and are based upon the actual results for the first nine months of the year ending on September 30, 2003 and a forecast for the last three months of the year ending on December 31, 2003.

2. **Basis.** The financial projections assume a predecessor carryover basis, rather than either utilizing fresh-start reporting as described by the American Institute of Certified Public Accountants Statement of Position 90-7 "Financial Reporting by Entities in Reorganization Under the Bankruptcy Code" or assuming any change in bases as a result of transfer of assets (whether between companies, to trusts or to creditors). Accordingly, the

projections only reflect adjustments directly related to the Plan. It is uncertain whether a change in basis resulting from the implementation of the Plan will occur and if it does occur, when it may occur. Therefore, although the projections assume a predecessor carryover basis, it may ultimately be determined that CrossCountry either has the option or is required to use a new basis of accounting at some point in the future following implementation of the Plan.

3. Plan Terms and Consummation. The operating assumptions underlying the revenue and expense forecasts assume the Plan will be confirmed and become effective in 2004, with allowed Claims treated in accordance with the treatment provided in the Plan.

4. Bankruptcy Claims by Transwestern and Citrus. The CrossCountry Projections reflect that 100% of the value of CrossCountry and its subsidiaries' claims against ENE, RMTC, EES and ENA will accrue in 2003. The increase in Other Income in 2003 is attributable to Transwestern's income recognition of its Claims. Further, it is assumed that distributions in the form of cash and stock will be made on these Claims over time. Over time, distributions in Claims are reflected in CrossCountry's Projections as decreases in Other Assets and increases in Other Cash Investments. These adjustments are based on estimates as to the timing and amount of distributions. **These estimates were utilized for purposes of preparing these projections only and the actual timing and amount of the distributions may vary materially from the assumptions used herein.**

5. Economic and Industry Environment. The CrossCountry Projections assume a stable economic environment based on prevailing analyst forecasts. In addition, the CrossCountry Projections assume no significant change in the regulatory and competitive conditions under which CrossCountry currently operates.

6. Equity Incentive Compensation Plan. The CrossCountry Projections do not include any expenses associated with the long-term equity incentive compensation plan anticipated to be adopted by CrossCountry. Refer to Section IX.H., "Equity Compensation Plan."

B. Other

1. Revenues

The CrossCountry Projections assume successful recontracting of available Transwestern and Florida Gas capacity at current rates and, as a result, transportation revenues are expected to be generally stable for 2003 – 2006, except for increases due to completed expansions by Transwestern and Florida Gas. Increased revenues are expected in the second half of 2005 upon the completion of an expansion by Transwestern. The projected increase in revenues in 2006 reflects a full year of additional capacity provided by the expansion. In addition, the CrossCountry Projections reflect the current level of contracts, throughput and rates on Northern Border Partners' existing pipeline systems, with no major expansions planned.

The CrossCountry Projections assume that CrossCountry will continue the Citrus operatorship based on the same terms contained in the operating agreement originally entered into between Citrus and an ENE affiliate. Refer to Section IX.A.1.(b)., "Employees and Pipeline Services" for further information.

2. Rate Case Filings

Pursuant to a previous rate case settlement, Transwestern is expected to file a new rate case in November 2006. It is assumed that there will be no changes from the existing rate case settlement for the remainder of 2006.

Florida Gas filed a rate case on October 1, 2003. New rates for transportation services will become effective April 1, 2004 (FTS-1) and April 1, 2005 (FTS-2), subject to refund based on the outcome of the rate case proceeding. The CrossCountry Projections assume that new rates for both the incremental and non-incremental systems will be designed to recover a pre-tax return on rate base that approximates existing rate levels.

3. Dividends

The CrossCountry Projections assume that CrossCountry will not pay dividends to holders of CrossCountry Common Stock from 2003-2006. In addition, the CrossCountry Projections assume that (i) Citrus will pay cash dividends to its shareholders (including CrossCountry) equal to 100% of all cash over normal liquidity requirements and payment of existing debt as it matures, and (ii) Northern Plains will dividend to CrossCountry 100% of cash distributions received from Northern Border Partners in excess of equity investments and taxes. Historically, Citrus has not paid dividends to its shareholders, and there can be no assurance that it will pay dividends going forward. Refer to Section XIV.H.2.b., "Control over Pipeline Businesses." The CrossCountry Projections assume that the cash distributions Northern Plains will receive from Northern Border Partners will increase 15% per year starting in 2005. It is expected that CrossCountry will contribute the dividends or distributions received from Citrus or Northern Plains from 2004-2006 to Transwestern, and that Transwestern will use the contribution by CrossCountry and any excess cash to pay down its debt (see No. 4, below for a description of such debt).

4. Debt

CrossCountry, as a holding company of the Pipeline Businesses, is not expected to issue any debt during 2003-2006.

Transwestern is expected to refinance its existing revolving credit facility on or before April 30, 2004. Transwestern is expected to enter into new financing arrangements for a $150 million revolver and a $350 million term loan. The term loan is expected to carry an interest rate of LIBOR +3%, and the revolver an interest rate of LIBOR +3.25%. The revolver is expected to have a capacity fee on the withdrawn portion of 0.5%.

5. Capital Expenditures

The CrossCountry Projections reflect one expansion by Transwestern. The San Juan expansion will increase the San Juan lateral capacity by 375 BBtu/d, at a cost of approximately $150 million. The estimated in-service date for the expansion is July 2005. Rates collected assume a regulated rate of return.

The Florida Gas Phase VI expansion was completed and placed in-service November 1, 2003. An additional Florida Gas expansion is planned for in-service July 2007, at a cost of $52 million which will be spent in 2006. Incremental volumes are 200 BBtu/d, transported at FTS-2 rates.

6. Acquisitions

CrossCountry is not expected to make any acquisitions or divest any material assets during 2003 - 2006.

A significant portion of Northern Border Partners' future growth is expected to come as a result of making accretive acquisitions of any material assets. The CrossCountry Projections assume $200 million of total annual growth capital in Northern Border Partners. Such acquisitions are assumed to be financed one-half by debt and the other half in the form of equity contributions.

7. Tax Considerations

The CrossCountry Projections assume that all of CrossCountry's stock will be distributed at once, in 2005, with a portion of the stock being held in a disputed claims reserve. This will result in tax deconsolidation of CrossCountry from the ENE Tax Group. The CrossCountry Projections assume that ENE will pay cash for the full amount of the net receivable balance owing to Transwestern under the applicable tax sharing agreement; however, because this net receivable balance may be subject to adjustments (as a result of audits by taxing authorities) and future negotiations between ENE and Transwestern, and because any payment (if any) with respect to such balance is subject to prior consent of the Creditors' Committee, the actual amount that ultimately is paid may vary materially from the amount projected. Refer to Section IX.F.1.(b).(iii)., "Tax Sharing Agreement" for further information. The CrossCountry Projections assume that no IRC Section 338(h)(10) election (which could generate future income tax benefit) will be made for CrossCountry in respect of the transaction contemplated by the Plan because the ability to make such an election is uncertain. The CrossCountry Projections also assume that the tax benefits of approximately $140 million previously recorded for anticipated utilization of Transwestern's NOLs will not be available to CrossCountry. Refer to Appendix I, "CrossCountry Results of Operations" for further information. Therefore, such NOLs have been impaired in the 2003 CrossCountry Projections.

8. Citrus Trading

The CrossCountry Projections assume that Citrus Trading's current litigation and contract renegotiations will be resolved in a manner and in amounts consistent with that which have been reserved for on Citrus Trading's June 30, 2003 balance sheet.

CROSSCOUNTRY CONSOLIDATED

INCOME STATEMENT

(US$ in millions)	2003	2004	2005	2006
Operating Revenues				
Transportation	$178.3	$181.2	$209.6	$229.4
Natural Gas	21.0	26.6	24.1	23.2
Other	(0.3)	0.6	0.3	0.3
Total	**$199.0**	**$208.4**	**$234.0**	**$252.9**
Operating Expenses				
Operations and Maintenance	$60.7	$55.4	$57.8	$60.2
Amortization of Regulatory Assets	5.2	5.7	5.7	5.7
Depreciation	17.9	19.0	21.6	24.1
Taxes Other Than Income (includes expansions)	11.5	11.4	13.0	14.5
Total	**$95.3**	**$91.5**	**$98.1**	**$104.5**
Operating Income	**$103.7**	**$116.9**	**$135.9**	**$148.4**
Other Income				
Partnership Income	42.1	67.9	73.0	75.4
Interest Income	0.3	0.2	0.6	1.3
Other, net	150.6	5.6	6.2	1.2
Total	**$193.0**	**$73.7**	**$79.8**	**$77.9**
Income (Loss) Before Interest and Taxes	**$296.7**	**$190.6**	**$215.7**	**$226.3**
Interest and Other				
Interest Expense and Related Charges, net	39.8	25.8	24.9	15.0
Total	**$39.8**	**$25.8**	**$24.9**	**$15.0**
Income Before Income Taxes	**$256.9**	**$164.8**	**$190.8**	**$211.3**
Total Income Taxes	**$229.1**	**$46.1**	**$55.2**	**$63.2**
Net Income	**$27.8**	**$118.7**	**$135.6**	**$148.1**

CROSS COUNTRY CONSOLIDATED

BALANCE SHEET *(US$ in millions)*	2003	2004	2005	2006
Current Assets				
Cash & Temporary Cash Investments	$18.2	$18.3	$19.4	$21.7
Customer	16.9	17.3	19.5	21.1
Associated Companies	5.5	5.5	5.5	5.5
Exchange Gas Receivable	2.0	2.0	2.0	2.0
Regulatory Asset s	6.7	5.5	6.7	6.7
Other	155.2	115.5	58.8	31.8
Total	**$204.5**	**$164.1**	**$111.9**	**$88.8**
Investments and Other Assets				
Partnerships	$698.3	$756.8	$813.9	$871.4
Total	**$698.3**	**$756.8**	**$813.9**	**$871.4**
PP&E				
Gross Plant	$1,022.5	$1,115.5	$1,206.3	$1,223.1
Accumulated Depreciation	(374.4)	(390.2)	(408.5)	(429.4)
Net PP&E	**$648.1**	**$725.3**	**$797.8**	**$793.7**
Deferred Charges				
Goodwill	$191.2	$191.2	$191.2	$191.2
Receivable from Parent	$75.0	$43.5	-	-
Other Regulatory Assets	$62.7	$57.1	$51.4	$45.7
Other	$111.7	$108.5	$105.2	$102.0
Total	**$440.6**	**$400.3**	**$347.8**	**$338.9**
TOTAL ASSETS	**$1,991.5**	**$2,046.5**	**$2,071.4**	**$2,092.8**
Current Liabilities				
Accounts Payable - Assoc. Companies / Trade	$5.3	$4.7	$4.8	$4.2
Accounts Payable - Other	3.8	3.8	3.8	3.8
Exchange Gas Payable	7.2	7.2	7.2	7.2
Accrued Taxes	6.7	4.4	5.8	7.7
Accrued Interest	0.6	1.8	2.3	2.6
Other	15.7	18.4	18.4	18.4
Total	**$39.3**	**$40.3**	**$42.3**	**$43.9**
Deferred Credits and Other Liabilities				
Deferred Income Taxes	$210.9	$223.9	$241.3	$248.1
Other	9.7	9.4	9.1	8.8
Total	**$220.6**	**$233.3**	**$250.4**	**$256.9**
Debt				
Payable / (Receivable) from Parent	-	-	-	-
Notes Payable	461.0	384.0	190.0	-
Total	**$461.0**	**$384.0**	**$190.0**	**-**
Equity				
Common Stock	$420.6	$420.6	$420.6	$420.6
Paid-in Capital	409.2	416.4	487.9	552.2
Accumulated Other Comprehensive Income	(9.7)	(9.7)	(9.7)	(9.7)
Retained Earnings	450.3	561.9	690.1	829.0
Total	**$1,270.4**	**$1,389.2**	**$1,588.9**	**$1,792.1**
TOTAL LIABILITIES & EQUITY	**$1,991.3**	**$2,046.8**	**$2,071.6**	**$2,092.9**

CROSSCOUNTRY CONSOLIDATED

CASH FLOW STATEMENT

(US$ in millions)	2003	2004	2005	2006
CASH FLOW FROM OPERATING ACTIVITIES				
Reconciliation of Net Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Net Income	**$27.8**	**$118.7**	**$135.6**	**$148.1**
Items not affecting Working Capital:				
Non-cash Revenue (Expense)	($0.3)	($0.3)	($0.3)	($0.3)
less: Earnings from Equity Affiliates	(42.1)	(67.9)	(73.0)	(75.4)
plus: Distributions from Equity Affiliates	10.5	11.0	12.9	15.0
Depreciation and Amortization	17.9	15.8	18.4	20.9
Deferred Income Taxes - Both Current and Noncurrent	370.1	13.0	17.5	6.8
Regulatory Asset Amortization	1.8	5.7	5.7	5.7
Receivable	18.8	31.1	41.3	(1.6)
Payable	(10.9)	(0.6)	0.1	(0.5)
Exchange Gas Imbalances	(0.2)	-	-	-
Other Current Assets or Liabilities	(186.2)	49.8	60.6	32.2
Total Cashflow from Operating Activities	**$207.2**	**$176.3**	**$218.8**	**$150.9**
CASH FLOW FROM INVESTING ACTIVITIES				
Proceeds from Sale (Various)	-	-	-	-
Additions to Property	2.9	(92.8)	(90.4)	(16.2)
Other Investments (McDay Energy / Misc.)	(1.8)	(8.8)	(73.7)	(65.8)
Cash Provided by (Used in) Investing Activities	**$1.1**	**($101.6)**	**($164.1)**	**($82.0)**
Net Cash Flow Before Financing	**$208.3**	**$74.7**	**$54.7**	**$68.9**
CASH FLOW FROM FINANCING ACTIVITIES				
Issuance of Long-term Debt	-	-	-	-
Drawdown (Repayment) of debt	(84.0)	(77.0)	(194.0)	(190.0)
Financing Fees	(2.0)	(4.4)	-	-
Net Enron Receivable/Payable	(191.4)	-	-	-
Net Dividend to Parent	(11.8)	-	63.8	54.6
Net Dividend Received by Parent	-	7.2	76.7	68.7
Net Dividend to Common	-	-	-	-
Cash Provided by (Used in) Financing Activities	**$ (289.2)**	**$ (74.2)**	**$ (53.5)**	**$ (66.7)**
INCREASE / (DECREASE) IN CASH	**($80.9)**	**$0.5**	**$1.2**	**$2.2**